

would give the municipalities control of their own highways. Mr. Hartley Dewart, K.C., speaking on behalf of the city of Toronto, asked the committee to recognize the fact that the conditions which existed in 1880 when the Bell Company obtained its charter had changed, and a new set of conditions of a totally different character had arisen. The increase of \$40,000,000 capital now asked for would make the Bell Company practically a new company, and the municipalities asked that the principle of municipal control of streets which was adopted and embodied in the bill chartering another telephone company in 1903 and confirmed in several charters for telegraph and telephone companies granted since should be embodied in the bill as a condition upon which the increase in capital was allowed. The discussion was quite lengthy, but no conclusion was reached by the time the meeting adjourned.

OUR AUSTRALIAN LETTER.

Since my last letter the rains then falling have been continued, till Australia, as a whole has been better covered than any time during the last ten years. Prices of its export commodities continue to be exceptionally high. The producers are happy and trade is expanding. The imports of the first three months of the year have not grown as rapidly as the exports, but still are slowly growing. Unfortunately Canada is not sharing in the advance of trade. In agricultural implements the Canadian exporters are enjoying a very good season, as there is a larger demand for cultivating machinery, which is now in season, than for a long time past. Last year they carried over a good many harvesters and reapers, and consequently the importations declined. This year there is no such stock to work off, and there are better prospects. The Canada Bicycle Company has closed its offices in all the States except at Melbourne in Victoria, and its trade has materially declined. The cotton companies are not supplying more than a third that their agents here say they could sell, but as they have a more profitable market in Canada and only send their surplus here, complaints cannot reasonably be made if they do not meet all the requirements of this country.

The Eastern Extension Company took the full limit of time for accepting or rejecting the agreement with the Australian Government as modified by the Commonwealth Senate, and then rejected it. This will lead to their abandonment of their offices in the Provinces of Victoria and Queensland, but offices will be retained in the other States through the agreements made with the Governments of those States prior to Federation. Mr. Deakin proposes to compel them to close their offices in Victoria and Queensland after a short shrift. This will give the Pacific Cable Company a better chance for fairly dividing the cable business, but it will be requisite for it, even now, to make a better fight than it has yet done. Mr. Reynolds is inspecting the cable stations in the Pacific, but is expected back in a short time, when he will determine the policy that is to be pursued.

A general election is to follow the next session of the Commonwealth Parliament, to begin a few weeks hence. It must take place not later than December, and may a month or two earlier. The situation is unique until recently in a British country. The Premier, Mr. Deakin, asserts that the issue will be protection and free trade. The leader of the Opposition, Mr. Reid, declares that it will be no such thing, but will be Socialism and Anti-Socialism, with himself as leader of the Anti-Socialistic party. The leader of the Labor party, which is the mainstay of the support of Mr. Deakin, differs with the Premier, and he states that the issue will be old age pensions and progressive land tax and the nationalization of monopolies. Some of these gentlemen are at the head of a united party. A section of the Protectionists—and a very influential one—has refused to follow the lead of Mr. Deakin, asserting that while they want protection they will not accept it at the price he proposes to pay for it to the Labor Party. Mr. Reid has two classes of opponents. He proposes to sink the fiscal question for the present, and to down Socialism, but the ultra-freetraders of the party

declare that the fiscal question shall not be sunk, and they will make the election upon the question of freetrade and protection. Another section, while agreeing to a certain extent to the sinking of the fiscal question, have not agreed to accept Mr. Reid as the Anti-Socialistic leader, and want a much bolder programme than he proposes as the policy of the party. Two of these are commonly credited with the ambition to displace Mr. Reid for the leadership, and as one of them is Mr. Irvine, who achieved reputation as a strong man while Premier of Victoria, the displacement may possibly take place later if not now. Mr. Watson is the leader of the Labor party, and is in no better plight than the other chiefs. He is a man who unquestionably showed good judgment in the leadership of the House when he was for a short time Premier, and as leader of his party since has given satisfaction to his following in the House, but he is unable to frame any policy. He and his party in the House had an understanding, if not a positive agreement, that they would not oppose the re-election of the members of the Deakin Government or the few followers that it has in control, but the Political Labor League, which controls the situation so far as labor politics are concerned, at its recent annual conference, repudiated this agreement, and told Mr. Watson that he would not be allowed to carry it out, that he must make no entangling alliances whatever and be governed by instructions from the League. Unfortunately the masses of the people are not very greatly interested in the squabble. The man on the land is content with good yields and good prices and he looks on with comparative indifference to the political struggle, even though the ascendancy of the labor party might involve a progressive land tax, which the land owner believes means the confiscation of his property. The situation is French rather than British, and there promises for the next few months, to be a scrimmage which will be unequalled outside of Tipperary.

The Government of Queensland has secured a small quantity of Manitoba hard wheat through the Department of Agriculture of Canada. It is a curious thing that for a number of years efforts have been unsuccessfully made to secure clean seed wheat from Manitoba for this country. Why, it is difficult to ascertain, as letters to firms who have agreed to undertake it have remained unanswered. A little Manitoba hard wheat flour has come to Sydney via New York. More has been sent to West Australia than comes to the eastern side of the continent, and this flour took the route it did, because it was under option either to West Australia or Sydney. The price paid is £14 10s. per ton (about \$7.25 per barrel), while local can be had at just half the figure. This high price, largely due to the duty, prohibits its use to any great extent.

The Governor-General of Canada has shown a good deal of tact in ordering samples of wine from Australia, with a view, if satisfactory, of using them in his household. Samples are being selected by the Commonwealth Government, which will likely go forward this month. This is a very small matter, but it is one of the small matters that carry a good deal more with it than appears on the face and this friendly act is appreciated here.

The unpleasant disagreements between the three Railway Commissioners of New South Wales has been under investigation by a Royal Commission, which has reported, condemning the acts of the three, but particularly that of the Chief Commissioner. This must lead to reconstruction. There may be room for a Canadian railway man here.

The last ship from Vancouver brought a number of vehicles from Messrs. Gray & Son, of Chatham. They came out in excellent condition, and will be exhibited at the coming Royal Society's Show. There is a probability that they will be handled in a much better manner than previous shipments of Canadian vehicles have been.

The reports of the Canadian Commissioner in Sydney must have something in them, because newspapers refer to one of which official notice was taken in London, and to another heard of through official reports from Washington.

The Commonwealth Government of Australia entered an action against the Comstock Medicine Company, of Canada,